

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF CAPITOL WATER CORPORATION) **CASE NO. CAP-W-08-02**
FOR AUTHORITY TO INCREASE ITS)
RATES AND CHARGES.) **NOTICE OF**
) **MODIFIED PROCEDURE**
)
) **ORDER NO. 30713**

On November 17, 2008, Capitol Water Corporation filed an Application for authority to increase its rates for water service by 7.8%. The Company requests that the Application be processed by Modified Procedure and that the tariff changes become effective January 1, 2009.

On December 9, 2008, the Commission issued a Notice of Application, suspended the Company’s requested effective date, and set a deadline for intervention. Order No. 30700. No persons petitioned to intervene.

THE APPLICATION

Capitol Water’s current rates and charges were authorized by Order No. 30198 issued on December 12, 2006. Since that time, the Ustick Road widening project caused the Company to incur \$102,006.34 in costs beyond its control. As part of this Ada County Highway District (ACHD) project, the Company was required to relocate distribution piping, fire hydrants and customer service connections located in the public right-of-way. In addition, in October 2008, the pump at well #6 failed. The cost to repair the pump and put the well back in service was \$11,234.37.

Since 2006, the Company has also experienced a significant increase in its electric power rates. The Company asserts that its cost for electric power is the single most expensive cost over which the Company has no control. The Company seeks to put a mechanism in place that would allow rates to be adjusted coincident with changes in its electric rates. The Company requests that the Commission immediately approve its proposed rate increase, “but hold the Case open pending a ruling by the Commission regarding Idaho Power Company’s current rate case” (Case No. IPC-E-08-10). Application at 4. Upon completion of that case, Capitol Water proposes that “the Commission revisit this case and authorize recovery of any additional electric expense [it] will realize” as the result of a potential rate increase by Idaho Power. *Id.*

The Company characterizes its Application as a “make whole” request limited to the three issues stated above.

NOTICE OF MODIFIED PROCEDURE

YOU ARE HEREBY NOTIFIED that the Commission has determined that the public interest may not require a formal evidentiary hearing in this matter and will proceed under Modified Procedure pursuant to the Commission’s Rules of Procedure 201 through 204, IDAPA 31.01.01.201 through .204. The Commission notes that Modified Procedure and written comments have proven to be an effective means for obtaining public input and participation in cases of this nature.

YOU ARE FURTHER NOTIFIED that any person desiring to state a position on this Application may file a **written comment** in support or opposition with the Commission **no later than Tuesday, February 24, 2009**. The comment must contain a statement of reasons supporting the comment. Persons desiring a hearing must specifically request a hearing in their written comments. Written comments concerning this Application shall be mailed to the Commission and the Applicant at the addresses reflected below:

Commission Secretary
Idaho Public Utilities Commission
PO Box 83720
Boise, ID 83720-0074

Robert Price
Capitol Water Corp.
2626 Eldorado
Boise, ID 83704
E-Mail: capitolwatercorp@worldnet.att.net

Street Address for Express Mail:

472 W. Washington Street
Boise, ID 83702-5918

Robert E. Smith
2209 N. Bryson Rd.
Boise, ID 83713
E-mail: utilitygroup@yahoo.com

These comments should contain the case caption and case number shown on the first page of this document. Persons desiring to submit comments via e-mail may do so by accessing the Commission’s home page located at www.puc.idaho.gov. Click the “Comments and Questions” icon, and complete the form using the case number as it appears on the front of this document. These comments must also be sent to Capitol Water at the e-mail addresses listed above.

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the time limit set, the Commission will consider this matter on its merits and enter its Order without a formal hearing. If written comments are received within the time limit

set, the Commission will consider them and, in its discretion, may set the same for formal hearing.

YOU ARE FURTHER NOTIFIED that the Application and supporting workpapers have been filed with the Commission and are available for public inspection during regular business hours at the Commission offices. The Application and exhibits are also available on the Commission's website at www.puc.idaho.gov under the "File Room" and then "Water Cases."

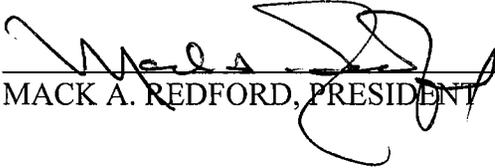
YOU ARE FURTHER NOTIFIED that the Commission has jurisdiction over this matter pursuant to Title 61 of the Idaho Code and specifically *Idaho Code* §§ 61-124, 61-125, 61-129, 61-622 and 61-623. The Commission may enter any final Order consistent with its authority under Title 61.

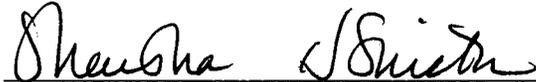
YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000, *et seq.*

ORDER

IT IS HEREBY ORDERED that this case be processed under Modified Procedure. Interested persons and the parties may file written comments regarding the Company's Application no later than Tuesday, February 24, 2009.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 6th
day of January 2009.


MACK A. REDFORD, PRESIDENT


MARSHA H. SMITH, COMMISSIONER


JIM D. KEMPTON, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

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